

Message Text

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44

ACTION XMB-07

INFO OCT-01 ARA-16 ISO-00 AID-20 CIAE-00 EB-11 FRB-02

INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03 CIEP-02

OMB-01 INRE-00 SSO-00 DRC-01 /087 W

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FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC IMMEDIATE 1319

INFO USDOC WASHDC

AMEMBASSY BUENOS AIRES

UNCLAS LA PAZ 6437

C O R R E C T E D C O P Y (MRN 6437 VICE 6434)

PASS TO EXIM BANK

E.O. 11652: N/A

TAGS: ETRD, BCOM, EAGR, EIND, BL

SUBJ: EXIM BANK REQUEST FOR BACKGROUND INFORMATION ON
BOLIVIAN FIRM "COMBI" LTDA.

REFS: (A) LA PAZ 6213 TO USDOC (B) LA PAZ A-50 OF MARCH 16,
1973

1. FOLLOWING IS IN RESPONSE TO EXIM BANK'S TELEPHONE CALL TO
EMBASSY OCTOBER 24 REQUESTING ADDITIONAL INFORMATION RE
APPLICATION FROM WHITE FARM AND INDUSTRIAL INTERNATIONAL,
HOPKINS, MINN., FOR ABOUT \$US 200,000 CREDIT GUARANTEE
TO "COMPANIA BOLIVIANA IMPORTADORA LTDA. "COMBI" LTDA.,
SANTA CRUZ.

2. UNDER SECRETARY MINCOM/IND ZAMORANO CONFIRMED TO EMBASSY
THAT NOVEMBER 30 RPT 30, 1973 DEADLINE ON IMPORTATION OF
40 TO 112 HORSEPOWER TRACTORS, EXCEPT THOSE PRODUCED BY
FIAT CONCORD SAIC OF ARGENTINA, IS STILL EXPECTED TO BE
ENFORCED. FERNANDO ROMERO, HEAD OF INTERNATIONAL MACHINERY
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CO. (INTERMACO), WHICH IS THE FORD TRACTOR REPRESENTATIVE,

ALSO SAID HE UNDERSTANDS GOB CONTINUES TO INTEND TO ENFORCE DEADLINE. AS UNDERSTOOD HERE, DEADLINE MEANS TRACTORS MUST ACTUALLY BE IN BOLIVIA BY NOVEMBER 30.

3. RESTRICTION ON IMPORTATION OF TRACTORS IS RESULT OF ARICLE 3, SUPREME DECREE 10879 OF MAY 20, 1973, EMBASSY TRANSLATION OF WHICH FOLLOWS: "CONCEDE TO THE FIRM 'FIAT CONCORD SAIC' EXCLUSIVITY IN THE NATIONAL MARKET IN THE PRODUCTION AND COMMERCIALIZATION, DIRECT OR INDIRECT, OF WHEELED AGRICULTURAL TRACTORS OF 40 TO 112 HORSEPOWER". CITED DECREE WAS ISSUED TO FORMALIZE AWARD OF CONTRACT TO FIAT CONCORD SAIC TO INSTALL TRACTOR ASSEMBLY PLANT IN COCHABAMBA (REF B). AS ORIGINALLY ISSUED, DECREE APPEARED TO RESTRICT IMPORTATION OF TRACTORS EFFECTIVE AS OF DATE OF ISSUE. AT THAT TIME, UNDER SECRETARY ZAMORANO TOLD EMBOFFS THAT NOVEMBER 30, APPROXIMATE DATE PLANT WOULD BEGIN OPERATIONS, WOULD BE DEADLINE.

4. INTERMACO'S ROMERO SAYS LOCAL IMPORTERS REGARD RESTRICTION AS HARMFUL TO THEIR INTERESTS AND POTENTIALLY HARMFUL TO INTERESTS OF BOLIVIAN FARMERS, ESPECIALLY SINCE NO WORK HAS BEEN ACCOMPLISHED ON ERECTION OF TRACTOR ASSEMBLY PLANT, EXCEPT LAYING OF CORNERSTONE, BECAUSE OF UNKNOWN PROBLEMS AT FIAT'S PARENT ESTABLISHMENT IN ARGENTINA. ACCORDING TO ROMERO, IMPORTERS WILL TRY TO INFLUENCE GOB TO EXTEND DEADLINE OR TO ANNUL FIAT'S EXCLUSINVE RIGHTS.

5. FOR EXIM BANK AND USDOC: REF A UPDATED WTDR ON "COMPANIA BOLIVIANA IMPORTADOR LTDA." IN A LATE RESPONSE TO OUR REQUEST FOR REFERENCES, BANCO MERCANTIL, SANTA CRUZ, SAID IT HAS HAD SOME DIFFICULTY IN CREDIT TRANSACTIONS, BUT DID NOT ELABORATE. IN LIGHT OF FAVORABLE REFERENCES RECEIVED FROM BANK OF AMERICA, SANTA CRUZ, EMBASSY BELIEVES MERCANTIL'S REPORT SHOULD ONLY SLIGHTLY TEMPER WTDR RECOMMENDATION (REF A).

6. EMBASSY WILL DEVELOP AND FORWARD ADDITIONAL DETAILS ON IMPORT RESTRICTIONS FOR DEPARTMENT'S REVIEW.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 25 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973LAPAZ06437
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: LA PAZ
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19731012/aaaaaivu.tel
Line Count: 99
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: (A) LA PAZ 6213 TO USDOC (B) LA PAZ, A-50 OF MARCH 16
Review Action: RELEASED, APPROVED
Review Authority: boyleja
Review Comment: n/a
Review Content Flags:
Review Date: 06 DEC 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Dec-2001 by bryansd0>; APPROVED <20 FEB 2002 by boyleja>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EXIM BANK REQUEST FOR BACKGROUND INFORMATION ON BOLIVIAN FIRM "COMBI" LTDA.
TAGS: ETRD, BBAK, EAGR, EIND, BL, XMB
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005